

To:

From:

Subject: Contact with Grallspice 1 on 13 March
Contact Report #9

1. Meeting Arrangements:

Case officer [] met Grallspice 1 in the latter's hotel room on 13 March 1953 at 1600 hours. Agent and case officer briefly discussed the recent shooting down of the American jet plane near Regensburg.

2. Production:

Please see agent's daily report which is attached.

3. Operational Matters:

a. Agent reported that nothing new had developed in his search for housing, although he had several new leads which might produce suitable results. This time was considered opportune to emphasize to agent our need for secure meeting places and other types of operational housing. Detailed instruction on how to spot and case safe houses was given the agent with a view to securing the meeting type safe house and not necessarily the storage or "holding" type safe house. Grallspice 1 was then given a list of houses that he had previously seen in his search for personal housing and was asked to revisit them at his earliest convenience. He was then to submit a very detailed casing report of each apartment at the next meeting. Agent was requested to view each apartment he inspects for personal housing with the idea that it might possibly be used for operational purposes. Case officer clearly told agent not to give his name, (if possible), not to make any agreements for renting the apartment, but merely to say that if he were interested he might come back or that he might send a friend to see the apartment. Case officer and agent then briefly discussed the problems of cover in renting. [] pointed out to Grallspice 1 that the ideal safe house vis-a-vis cover and security would be to find a person who owns or rents a suitable, qualified safe house or apartment. Agent agreed it would be difficult to find the correct safe house and the correct safe house keeper plus the fact that the keeper would have to be cleared and recruited, which is always a very time-consuming process. Therefore, it would be more convenient for our present purposes to rent an unoccupied safe house. A cover story would naturally have to be devised since nobody would actually be living in the apartment. Case officer and agent agreed that perhaps the best cover story would be to rent an apartment on the grounds that friends were coming from out-of-town for the summer season and especially for the Festspiel season. Case officer again emphasized that agent is in no way to become involved in renting the apartments except to locate and then case them for us.

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b. While in Munich [] read in agent's file that he had received a traffic ticket in Munich in the summer of 1952 and as far as could be determined from the file the ticket had never been paid. When queried on the subject, agent replied that the matter had already been completely settled and made known to the emigration authorities in Munich.

c. Case officer warned that agent should not sign a formal contract when he does rent an apartment since such contracts are subject to a one per cent tax of the yearly rent with a minimum two years' rent subject to tax. Agent answered that he had no thought of signing a contract with anybody without first consulting with case officer.

d. Agent filled out the necessary information needed to secure the proper papers for his wife when the time comes for her to leave for Salzburg. [] will forward this information to [] who will be able to prepare the necessary documents in 48 hours. Agent was also asked to have regular passport pictures taken of himself and his wife and to be sure to obtain the negatives for them. In this manner we will be able to make our own-sized pictures for any further documentation we may wish to furnish agent.

e. It was casually mentioned that agent may have to go to the Linz area to operate in the blackmarket in an effort to find targets against the Soviets. Case officer also noted agent's suggestions that girls could profitably be used in such work. Case officer mentioned in passing that it should be borne in mind that in any dealings with such girls the necessary precautions should be taken against contracting any disease. The warning was presented in general terms so as not to make the agent think it was directed solely at him (although it actually was).

f. [] reported that he had not received agent's renewed TTD as yet but felt that he would get it back in the next week.

g. Agent submitted a list of books he would like to obtain from the Russian book store in Vienna I. [] answered that he would send the list to [] who might be able to obtain them.

h. Case officer mentioned that he hoped Grallspice 1 would soon have some propaganda written so it could be sent to [] Agent said he would try to have some by the next meeting.

4. Personal Matters:

The confusion over agent's February salary and its final distribution was settled. As it turned out, agent's wife received the full salary from MOB for the month of February. [] had already paid agent one half month's salary in Salzburg. Agent agreed that the simplest would be to make the additional half-month's salary an advance to March salary. Receipts to this effect were signed.

5. Personal Matters:

The remainder of the meeting was spent with case officer and agent exchanging lessons in Russian and English. Agent is making rapid progress in English; case officer regrets that his in Russian is far less.

6. Close of Meeting:

Meeting ended at 1730 hours. It was agreed to meet again on 18 March at 1500 hours in agent's room at the Stein Hotel.

7. Case officer comments:

a. Agent for some reason seems much more at peace with his rather boring lot in Salzburg than was previously noted. He seems to be spending considerable time studying his English, taking pictures of the local surroundings (especially women) with his new camera, and house hunting. It seems that agent is much more reconciled to a long wait with not too much to do than he was a few weeks ago.

b. In view of [] and Grallspice 1's recent trip to Munich, the return of Grallspice from Freilassing, and the exchange of English and Russian lessons between agent and case officer, a tie of friendship seems to have arisen between the two in place of the rather formal business relationship that existed at the outset of their meetings.

2 - EE
2 - Vien
1 - Project file
1 - Progress report file

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